

Message Text

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21

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 IO-14 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 AID-20 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 IGA-02

GSA-02 FEA-02 INT-08 SCI-06 DRC-01 /217 W

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R 051557Z JUL 74

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC 3930

INFO AMCONSUL PARAMARIBO

AMEMBASSY CARACAS

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMCONSUL CURACAO

C O N F I D E N T I A L THE HAGUE 3376

E.O. 11652: GDS

TAGS: EAID, EIND, NS, NL

SUBJ: DISCUSSION OF SURINAM WITH AID MINISTER PRONK

REF: (A) STATE 132267 (B) PARAMARIBO 310

1. I CALLED ON DEVELOPMENT AID MINISTER PRONK JULY 1
TO CONVEY OUR CONCERN (REF A) ABOUT THE DANGER OF
POST-INDEPENDENCE ACTIONS BY THE GOVERNMENT OF SURINAM
AGAINST FOREIGN PRIVATE ENTERPRISE TO THE DETRIMENT OF
US INTERESTS AND THE LONG-TERM ECONOMIC DEVELOPMENT OF
SURINAM. SINCE OUR CONVERSATION WAS IN SOME DEPTH AND,
I BELIEVE, HELPFUL INCLARFYING PRONK'S ATTITUDE AND
INTENTIONS, I HAVE FORWARDED A FULL MEMCON TO ALL
ADDRESSEES. THE MAIN POINTS ARE SUMMARIZED BELOW.

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2. I STARTED OFF BY SAYING THAT THE USG WANTS TO SEE SURINAM SUCCEED AS A FREE NATION AND THAT IN OUR VIEW THE EXPANSION AND DIVERSIFICATION OF SURINAM'S ECONOMIC BASE WILL BE ESSENTIAL TO THAT END; EXPRESSED MY UNDERSTANDING THAT THERE ARE AT LEAST TWO AMERICAN FIRMS POTENTIALLY INTERESTED IN PRODUCTIVE INVESTMENTS IN SURINAM BUT THAT THEY ARE UNWILLING TO PROCEED UNTIL THE GOS POSTURE ON NATIONALIZATION IS CLARIFIED; AND ASKED PRONK FOR HIS READING IN THE WAKE OF HIS RECENT VISIT THERE AND FOR AN ELABORATION OF HIS STATEMENTS IN PARAMARIBO (REF B) AND ELSEWHERE ON THIS SUBJECT.

3. PRONK RESPONDED THAT WHAT HE AND HIS LEFT-WING COLLEAGUES FAVOR (AND WHAT HE HAS RECOMMENDED TO THE GOS) IS THE "SURINAMIZATION" OF KEY INDUSTRIES, E.E., THE ACQUISITION BY THE GOS, USING DUTCH AID FUNDS IF NECESSARY, OF NOT ONLY A SUBSTANTIAL FINANCIAL INTEREST IN SUCH ENTERPRISES BUT ALSO A SUBSTANTIAL VOICE IN BASIC DECISIONS OF PRICING, PRODUCTION LEVELS, EXPANSION, WAGE SCALES, ETC. HE NOTED THAT THE PREVIOUS GOC HAD ALREADY STARTED ON A JOINT VENTURE COURSE AND HE HOPED PRESENT GOC COULD CONTINUE IT.

HE EXPRESSED REGRET THAT BILLITON SEEMED MORE OPEN-MINDED ON THIS APPROACH THAN SURALCO. HE ALSO COMMENTED, SOMEWHAT PARADOXICALLY, THAT THE HIGH WAGES BEING PAID BY SURALCO MAKE IT DIFFICULT FOR DESIRABLE SMALLER ENTERPRISES TO OPERATE.

4. PRONK WENT ON TO SAY THAT HE IS ACTIVELY CONSIDERING THE FEASIBILITY OF PROPOSING AN AID CONSORTIUM FOR SURINAM CONSISTING OF THE NETHS, US, EC, BELGIUM AND VENEZUELA. (I GAVE HIM NO ENCOURAGEMENT THAT THE US WOULD BE INTERESTED IN SUCH A PROJECT). IN THE MEANTIME A JOINT SURINAM-DUTCH PLANNING COMMISSION UNDER CHAIRMANSHIP OF PROF. BOS OF NETHS ECONOMIC INSTITUTE IN ROTTERDAM, WILL WORK OUT THE BROAD OUTLINES OF A DEVELOPMENT STRATEGY FOR SURINAM IN PREPARATION FOR A GOS-GON CONFERENCE NEXT FEBRUARY (POSSIBLY INCLUDING ALSO THE GNA.)

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5. PRONK CONCLUDED BY NOTING THAT HE PLANS A BRIEF WORKING VISIT TO WASHINGTON IN OCTOBER.

6. I HAVE ALSO DISCUSSED SURINAM IN THE PAST FEW DAYS WITH FOREIGN MINISTER VAN DER STOEL AND SHELL CHAIRMAN WAGNER (SEE SEPTELS).
GOULD

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